

loan funds. Pursuant to Pub. L. 95-334, other departments, agencies, and executive establishments of the Federal Government may participate and provide financial and technical assistance jointly with FmHA or its successor agency under Public Law 103-354. The amount of participation by the other department, agency, or executive establishment shall only be limited by its authorities other than authorities which impose restrictions on joint financing.

[50 FR 7296, Feb. 22, 1985, as amended at 53 FR 30248, Aug. 11, 1988; 57 FR 33100, July 27, 1992; 59 FR 26587, May 23, 1994]

§ 1942.307 Limitations on use of grant funds.

(a) Funds will not be used:

(1) To produce agriculture products through growing, cultivation and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries, timber operations or limited agricultural production related to technical assistance projects.

(2) To finance comprehensive areawide type planning. This does not preclude the use of grant funds for planning for a given project.

(3) For loans by grantees when the rates, terms and charges for those loans are not reasonable or would be for purposes not eligible under § 1942.306 of this subpart.

(4) For programs operated by cable television systems.

(5) To fund a part of a project which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project.

(6) To pay for technical assistance as defined in this subpart which duplicates assistance provided to implement an action plan funded by the Forest Service (FS) under the National Forest-Dependent Rural Communities Economic Diversification Act for 5 continuous years from the date of grant approval by the FS. To avoid duplicate assistance, the grantee shall coordinate with FS and Rural Business-Cooperative Service (RBS) to ascertain if a grant has been made in a substantially similar geographical or defined local area in a State for technical assistance

under the above program. The grantee will provide documentation to FS and RBS regarding the contact with each agency. Under its program, the FS assists rural communities dependent upon national forest resources by establishing rural forestry and economic diversification action teams which prepare action plans. Action plans are intended to provide opportunities to promote economic diversification and enhance local economies dependent upon national forest resources.

(b) At least 51 percent of the outstanding interest in the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

[53 FR 30248, Aug. 11, 1988, as amended at 55 FR 135, Jan. 3, 1990; 57 FR 33100, July 27, 1992; 60 FR 52839, Oct. 11, 1995]

§ 1942.308 Regional Commission grants.

(a) Grants are sometimes made by Federal Regional Commissions for projects eligible for FmHA or its successor agency under Public Law 103-354 assistance. FmHA or its successor agency under Public Law 103-354 has agreed to administer such funds in accordance with FmHA or its successor agency under Public Law 103-354 regulations and the requirements of the commission.

(b) The transfer of funds from a Regional Commission to FmHA or its successor agency under Public Law 103-354 will be based on specific applications determined to be eligible for an authorized purpose in accordance with the requirements of FmHA or its successor agency under Public Law 103-354 and the Regional Commission.

(c) ARC is authorized under the Appalachian Regional Development Act of 1965 (40 U.S.C. 1-405), as amended, to serve the Appalachian region. ARC grants are handled in accordance with the ARC Agreement which applies to all ARC grants administered by the Agency. Therefore, a separate Project Management Agreement between the Agency and ARC is not needed for each ARC grant.

(d) Other Federal Regional Commissions are those authorized under title